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Determinants and Trend of Financial Performance in Indonesia Consumer Non-Cyclical Companies: Panel Data Evidence from 2020-2025

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ABSTRACT

This study examines the determinants and trends of financial performance among companies in the consumer non-cycli cal sector listed on the Indonesia Stock Exchange during 2020–2025. Financial performance is measured using Return on Assets (ROA), while liquidity,firm size, asset structure, sales growth, and operational and financing efficiency are examined as explanatory variables. The study employs a quantitative approach using secondary data obtained from publicly available annual reports. Panel data regression is combined with trend analysis to examine both the determinants and temporal patterns of corporate profitability. The appropriate panel estimation model is determined using the Chow, Hausman, and Lagrange Multiplier tests. The empirical results indicate that firm size has a positive and statistically significant effect on ROA, whereas liquidity, asset structure, sales growth, and operational and financing efficiency do not exhibit statistically significant partial effects at the 5% level. The model produces an R-squared of 0.5705 and an adjusted R-squared of 0.4810. However, the joint effect of the explanatory variables is not statistically significant at the 5% level (p = 0.0670). Trend analysis further indicates heterogeneous ROA patterns across the sampled companies, including increasing, declining, relatively stable, and fluctuating trends. These findings suggest that differences in firm scale and company-specific financial management practices contribute to variations in profitability within the consumer non-cyclical sector.

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Introduction

The Indonesian Stock Exchange has attracted considerable attention from investors due to the country's increasingly favorable economic environment [1]. This is attributable to Indonesia's sustained economic growth from 2022 to 2025, with the economy consistently expanding at approximately 5% annually. In 2025, the economy grew by 5.11%, exceeding the 5.03% growth recorded in 2024 (Badan Pusat Statistik Indonesia 2025). As economic prospects improve, investors tend to exhibit more positive market sentiment, which stimulates market activity [2]. Consequently, favorable market sentiment has a positive influence on investors' decisions to invest.

These circumstances encourage investors to put their money into industries that are more resilient to changes in the economy, such within the essential consumer goods industry. Because the primary focus of this sector's economic operations is the provision of necessities, it has a number of

benefits over other industries. several enterprises engaged within the consumer products industry are representative businesses in this industry. Additionally, consumer non-cyclical businesses typically have more steady income streams because, despite shifts in the economy, the need for food, drink, and other everyday necessities stays mostly constant[3]. Additionally, the consumer non-cyclical sector has a comparatively lower risk of falling corporate performance since it is generally acknowledged as a defensive business that is more resilient to economic crises than the cyclical sector.

Because of its significant development potential and rather consistent performance when compared to other sectors, the essential consumer industry additionally contributes significantly to boosting firm value and supporting economic activity [4]. Increased output in the consumer goods sector boosts both domestic manufacturing and export growth, creating a multiplier effect that improves the performance of other economic sectors [5]. Financially speaking, businesses in this industry often exhibit comparatively steady profitability, which enhances investor confidence when making investment decisions and has a good impact on company value [6].

Nonetheless, the financial ratios of the consumer non-cyclical sector have fluctuated, especially with regard to asset structure. Before rising to 0.50 in 2026, the asset structure ratio decreased from 0.53 in 2024 to 0.47 in 2025 (sumber: data diolah, 2026). Investment choices and business risk are impacted by an unstable asset structure [7]. As a result, when a company's financial ratios decline, investors may suffer losses and the market's perception of the consumer non-cyclical sector is negatively impacted. Additionally, a variety of macroeconomic factors and firm-specific circumstances might have an influence on corporate earnings within this sector. Because of this, the industry may go through times when its financial performance declines[8], but it might also experience times when its financial performance significantly improves.

Financial performance, especially Return on Assets (ROA), has been thoroughly studied in the past. Numerous situations, such as the banking industry (Ilmiah et al., 2024) and the financial performance of PT Pos Indonesia (Persero),[9] have been the subject of ROA research. Financial parameters including financial indicators including EPS, TATO, ROE, and DAR measurements have been used in several research to examine stock price changes in manufacturing companies [10], Additionally, earlier studies have examined the connection between investment decision-making and financial management [11], investment and portfolio construction[12], asset valuation in digital platform companies, and investor sentiment and Sharia-compliant stock performance [13].

Most of the seven earlier studies that have contributed to scholarly debates over the last five years have concentrated on how financial performance affects corporate value. Studies that particularly look at financial ratio trend analysis as a method for assessing businesses' financial success, however, have received little attention. Specifically, there is still little research on the long-term financial ratio trends of businesses in the consumer non-cyclical beverage industry.

The Signalling Theory that was first put forth by Spence (1973) is used in this investigation. According to signalling theory, parties with more comprehensive knowledge about a business, especially its management, communicate certain information to external stakeholders as signals about the state of the organization. These signals show how management views the company's potential for future growth, which may then affect investors' assessments. Management's attempts to show its dedication to optimising shareholder interests are reflected in the information delivered through these signals. As a result, the data that the market receives represents an essential consideration for investment decisions when making investment decisions and a pertinent signal for evaluating the state of a firm.

In the consumer non-cyclical sector, this study offers fresh perspectives on financial ratio trend analysis. The Indonesian government has actively encouraged corporate research and innovation through a number of laws intended to advance science and technology, which makes the study especially pertinent. Regulation Number 11 of 2019 concerning the National Science and Technology Framework, which acknowledges research activities as a crucial part of national development and economic competitiveness, is one of the main legal frameworks. In this regard, it is anticipated that

research will play a significant role in helping businesses in the consumer non-cyclical sector become more profitable. Therefore, the preliminary assumption of this study is as follows:

H_1 Liquidity has a significant effect on Return on Assets (ROA) [14]

From the standpoint of financial management, optimal liquidity allows businesses to strike a balance between their capacity to fulfil immediate obligations and the effective use of assets. While too high liquidity can lead to idle funds that are not used effectively, excessively low liquidity might interfere with corporate operations. Effective effective cash flow control may enhance asset utilization efficiency utilisation, which will have a major impact on business corporate earnings performance measured through Return on Assets (ROA)[15].

Liquidity is linked to a company's financial performance, according to empirical data. According to a banking industry study, asset profitability is strengthened by liquidity conditions measured through FDR. These results imply that increased profitability is a result of more effective fund management.[16].

H_2 Firm Size has a significant effect on Return on Assets (ROA [17]

A company entity's size is reflected in its firm size, which can be evaluated using market value, sales volume, or total assets. Compared to smaller businesses, larger businesses typically have more resources and wider access to outside funding. These benefits allow them to increase asset utilisation and operational efficiency, which boosts business profitability as determined by Return on Assets (ROA) [18].

Furthermore, compared to smaller businesses, large companies typically have more sophisticated organisational structures and sophisticated management systems. These qualities help businesses take advantage of market possibilities and optimise asset management. As a result, a firm's ability to generate income through owned resources may be significantly impacted by business size. [18]. Additionally, empirical results show that companies with large fixed assets typically have better financial performance and more operational consistency. Larger companies are therefore more likely to make more money, as evidenced by their Return on Assets (ROA).[19].

H_3 Asset Structure has a significant effect on Return on Assets (ROA) [20]

Asset structure shows how a corporation distributes its resources to support business operations and represents the makeup of its current and fixed assets. Businesses that have an ideal asset structure are better able to make the most of their resources and increase their profit margins. This suggests that ROA, which represents a financial performance indicator success, is significantly influenced by asset structure [20].

Since long-term assets like machinery, buildings, and production facilities can increase production capacity and operational efficiency, a proper asset structure is crucial for supporting a business's operational activities. Businesses that manage their assets well are able to use them to produce more and earn higher returns. As a result, one important factor affecting a company's financial success is its asset structure[21]. Additional empirical data suggests that asset structure and firm financial performance are strongly correlated. Businesses can increase operational effectiveness and capital utilisation efficiency with an ideal asset composition, which boosts earnings. Accordingly, a company's capacity to increase Return on Assets (ROA) increases with the optimality of its asset structure [21].

H_4 Sales Growth has a significant effect on Return on Assets (ROA) [22]

An indicator of a company's revenue growth over time is sales growth. Growing demand for the company's goods or services is indicated by a high rate of sales growth. This circumstance increases income and gives businesses more chances to boost the earnings they make from their operations. As a result, sales growth is frequently employed as a metric to assess the performance, growth, and profitability of a business [23]. Improvements in operational efficiency and more efficient use of assets

typically follow an increase in sales, and both of these factors lead to increased profitability. Because increasing sales are frequently linked to improved operational efficiency and economies of scale, which strengthen the firm's capacity to generate profits, companies that achieve stable and sustainable sales growth typically exhibit stronger profitability[24].

Empirical studies indicate that companies that consistently experience sales growth tend to have a greater ability to generate profits from their assets. Strong revenue expansion demonstrates the success of corporate strategies marketing and operational strategies in improving business performance. Therefore, greater revenue development creates a higher possibility of improving returns on Assets *(ROA)*[15].

Method

Using secondary data from company annual reports released through the Indonesia Stock Exchange, this research applies a numerical approach research methodology. Because it enables examination of cause-and-effect relationships among factors through statistical methods techniques, especially panel data regression, a quantitative approach was chosen [29]. This study uses trend analysis to describe the evolution of corporate profitability over the course of the observation period, in addition to panel regression analysis to assess how explanatory factors affect ROA. This provides a summary of changes in financial performance over time [30].

Panel data regression is chosen because it can combine cross-sectional dimensions (antarperusahaan) and time series (antarperiode), resulting in a larger number of observations, increasing parameter estimation efficiency, and enabling analysis of individual heterogeneity that cannot be measured (unobserved heterogeneity). Because of this, panel data regression is more comprehensive than analysis that solely uses cross-sectional data or time series in a terpisah manner [31].

All consumer non-cyclical sector companies registered companies registered on IDX during 2020–2025 represented the study population, Purposive sampling was employed based on predeterminet inclusion and exclusion criteria: (1) the company was categorised as a consumer non-cyclical company recorded as publicly traded entities on IDX during the period of 2025; (2) the company regularly released annual financial statements during the observation period; (3) the annual financial statements had been audited and were fully accessible to the public; (4) the company supplied complete data for every research variable; and (5) the company was not delisted during the observation period [32]. Five businesses were chosen as the research sample based on these standards. The study produced a balanced panel dataset for further examination over a five-year observation period. Return on Assets (ROA) is the study's dependent variable. Liquidity, company size, asset structure, sales growth, and operational and finance efficiency are its independent variables.

Table 1. Operational Definition and Measurement of Research Variables

Variable	Formula
Return on assets (ROA)	$\frac{Net\ Income}{Total\ Assets} x100\%$
Liquiditas (current ratio)	$\frac{Current\ assets}{Current\ Liabilities} x100\%$
Firm Size	$\frac{Net\ Income}{Stockholder\ Ownership} x100\%$
Asset structure	$\frac{Total\ Debt}{Total\ Assets} x100\%$
Sales Growth	$\frac{Current\ Assets}{Current\ Liabilities} x100\%$

A panel regression framework was applied to analyze associations among the studied factors:

$$ROA_{\text{it}}=\alpha+\beta_1 X_{1_x0000_}+\beta_2 X_{2_x0000_}+\beta_3 X_{3_x0000_}+\beta_4 X_{4_x0000_}+\beta_5 X_{5_x0000_}+e_{\text{it}}$$

With:

ROA :Symbolises the dependent variable.
X :Indicates the variable that is independent.
i :Represents the cross-sectional unit
t :Indicates the time period.
e_{it} :Is the error term

Three different methods were applied to calculate panel regression results using REM, FEM, and CEM approaches. In accordance with the features of panel data, the most suitable model was chosen using a sequential model selection process to provide the most effective[33]. To ascertain whether the fixed-effects estimation approach or the Common Effect Model was more suitable, the first step entailed the Chow test. The alternative hypothesis (H_1) asserts that the Fixed Effect Model is more suitable, while the null hypothesis (H_0) asserts that the Common Effect Model is the preferred specification. H_0 is rejected if the probability value (p-value) is less than 0.05, suggesting that the Fixed Effect Model ought to be chosen [34].

Once the best panel regression model had been found, the last step was hypothesis testing. The partial significance test was conducted to examine the contribution of every explanatory variable impact on Return on Assets (ROA). the combined influence of explanatory factors on the outcome variable was evaluated through an F-statistical test [35]. The adjusted coefficient of determination (Adjusted R2), which shows the percentage of variation of the outcome factor accounted for by the predictors within the framework, was used to assess the model's ability to explain variations in the data. The model's capacity to explain changes in Return on Assets is indicated by a higher Adjusted R2 score (Jian Gao, 2023). EViews 13 software was used for all statistical analyses in this study, with a significance threshold of 5% (α = 0.05).

Results and Discussion

Panel Data Analysis Results

The determination of the optimal panel data estimation approach was performed systematically through the Chow, Hausman, anSd Lagrange Multiplier (LM) test. The results of these tests are presented in Tables 1–4.

Table 2. Chow Test

Effects Test	Statistic	d.f.	Prob.
Cross-section F	2,753063	(5.45)	0,0118
Cross-section Chi-square	26,319007	5	0,0018

Source: Data Processing, Result (2026)

The significance probabilities obtained from the Cross-section F (0.0118) and Chi-square tests (0.0018) are both below the 0.05 significance level, according to the findings from the Chow test. Consequently, the Fixed Effect Model (FEM) is chosen and the null hypothesis (H_0) is rejected. These results imply that there is variation among cross-sectional units, which the FEM better accounts for.

Table 3. Hausman Test

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	0,0000	5	1,0000

Source: Data Processing, Result (2026)

The probability value of 1.0000 obtained from the Hausman test surpasses the The significance probabilities obtained from the Cross-section F (0.0118) and Chi-square tests. This finding suggests that the fundamental presumptions of the Random Effect Model (REM) are met because the individual effects do not significantly correlate with the independent variables. Because it offers more effective, consistent, and trustworthy estimates for panel data analysis, the REM was chosen as the best model.

Table 4. Lagrange Multiplier (LM)

Null (no rand. effect)	Cross-section	Period	Both
Alternative	One-sided	One-sided	
Honda	0,4361	-0,7135	-0,1961
	(0,3314)	(0,7622)	(0,5778)
King-Wu	0,4361	-0,7135	-0,1506
	(0,3314)	(0,7622)	(0,5599)
SLM	3,5621	-0,6303	--
	(0,0002)	(0,7358)	--
GHM	--	--	0,1902
	--	--	(0,5587)

Source: Data Processing, Result (2026)

The initial assumption (H_0) remains accepted since, according to the Lagrange Multiplier (LM) test results, all probability values under the Honda, King–Wu, and GHM techniques above the 0.05 significance level. The Standard Lagrange Multiplier (SLM) method, on the other hand, produces a cross-sectional significance probability amounted to 0.0002 (< 0.05), suggesting the existence of significant random effects. The significant result from the SLM technique indicates the existence of cross-sectional heterogeneity that the CEM is unable to adequately capture, even though the majority of LM test findings favour the Common Effect Model (CEM). Because it successfully accounts for unobserved firm-specific effects and cross-sectional variation through a random error component, the REM approach was determined as the most suitable method for panel data estimation.

Table 5. Simultaneous Test Result

Null (no rand. effect)	Cross-section	Period	Both
Alternative	One-sided	One-sided	
Breusch-Pagan	0,1902	0,5091	0,6993
	(0,6627)	(0,4755)	(0,4030)
Honda	0,4361	-0,7135	-0,1961
	(0,3314)	(0,7622)	(0,5778)
King-Wu	0,4361	-0,7135	-0,1506
	(0,3314)	(0,7622)	(0,5599)
GHM	--	--	0,1902
	--	--	(0,5587)

Source: Data Processing, Result (2026)

All probability values above the 5% significance threshold ($\alpha = 0.05$) according to the outcomes of the Lagrange Multiplier (LM) examination obtained using the Breusch–Pagan, Honda, King–Wu, and GHM methods. Consequently, it is impossible to disprove the initial assumption (H0), which states that the absence of random effects. These results show that neither neither the cross-sectional aspect nor the temporal dimension, nor their combination, include any statistically significant error variance components in the calculated model. As a result, the Random Effect Model (REM) is not supported by enough empirical data. The more straightforward the CEM approach is considered a more appropriate and efficient alternative for panel regression estimation as the LM test does not show evidence of substantial random effects.

When selecting the suitable panel regression specification, findings from the LM test must be examined together with Chow and Hausman test outcomes evaluations. While the Chow test indicates FEM preference, the Hausman test recommends REM selection (REM) is preferable, the LM test indicates that a more parsimonious model is sufficient. Therefore, the Common Effect Model (CEM) is selected because of its simplicity and efficiency. The CEM provides consistent and unbiased parameter estimates while avoiding the unnecessary inclusion of random effects that are not statistically

significant, thereby offering a more straightforward and interpretable specification for the panel data analysis.

Table 6. Klonieritas Test

	X1	X2	X3	X4	X5
		0,7591	0,9266	-0,1819	0,9600
X1	1	03605	69370	52963	156196
	0,7591		0,7921	-0,1270	0,6181
X2	03605	1	74208	69639	75259
	0,9266	0.7921		-0,2190	0,8713
X3	69370	74208	1	79874	94959
	-0,1819	-0,1270	-0,2190		-0,1744
X4	52963	69639	79874	1	73567
	0,9600	0,6181	0,8713	-0,1744	
X5	15619	75259	94959	73567	1

Source: Data Processing, Result (2026)

A multicollinearity test was conducted to examine the degree of correlation among the independent variables in the regression model. Multicollinearity may occur when two or more explanatory variables exhibit a high linear relationship, potentially affecting the stability and reliability of the estimated regression coefficients. The results of the correlation matrix are presented in Table X.

The correlation matrix indicates that most independent variables have relatively moderate correlations. However, several pairs exhibit high correlation coefficients. The strongest correlation is observed between liquidity (X1) and operational and financing efficiency (X5), with a correlation coefficient of 0.9600. A high correlation is also identified between liquidity (X1) and asset structure (X3), with a coefficient of 0.9267, followed by the correlation between asset structure (X3) and operational and financing efficiency (X5), with a coefficient of 0.8714. Meanwhile, the correlations between firm size (X2) and the other independent variables are relatively moderate, ranging from −0.1271 to 0.7922. Sales growth (X4) also shows relatively weak correlations with the other explanatory variables, with coefficients ranging from −0.2191 to −0.1271, except for its relationship with operational and financing efficiency, which is −0.1745.

The correlation matrix suggests the presence of relatively high associations among X1, X3, and X5. In particular, the correlation coefficient of 0.9600 between X1 and X5 indicates a very strong linear relationship. Therefore, although the regression model may still be estimated, the high correlations among several explanatory variables should be considered when interpreting the individual coefficient estimates. To strengthen the assessment, the correlation matrix should ideally be complemented by Variance Inflation Factor (VIF) and tolerance statistics, because pairwise correlation alone does not provide a definitive assessment of multicollinearity in a multiple regression framework.

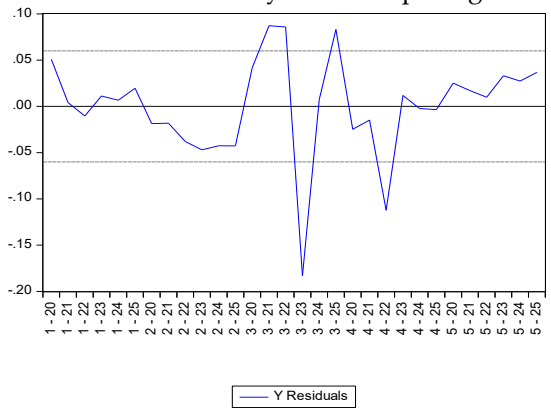

Figure 1. Heterokedesitas

The residual values oscillate around the zero line without showing any discernible systematic pattern, according to the residual series plot. This comparatively random distribution shows that there is no compelling evidence of model misspecification and that the estimated model well captures the

underlying relationships among the variables. Additionally, no clear trend or recurring cyclical pattern is seen over the course of the investigation, suggesting that the model accurately depicts the data structure. These results also imply that the conventional regression assumptions are probably met, especially the independence of the error factors. As a result, the estimated model can be regarded as sufficiently dependable for testing hypotheses and deriving conclusions from the study. However, more diagnostic tests like autocorrelation and heteroskedasticity tests are still required to guarantee the model's overall validity and resilience.

However, the linearity assumption of the model can generally be regarded as valid as long as the residuals continue to be randomly distributed around the zero line. Further evidence that the basic regression assumptions—in particular, the independence of the error terms and the zero-mean error assumption—are fairly satisfied comes from the lack of a regular pattern and the concentration of residuals around zero. The estimated uncertainty levels of regression parameters satisfies the majority of the traditional presumptions necessary for trustworthy statistical inference.

Panel Data Regression

y=0.0788-0.4125x_1+1.8164x_2+2.8103x_3+0.1598x_4-2.5554x_5

The predicted outcome of the dependent variable when all explanatory variables are set at zero is represented by the constant coefficient of 0.0788. In the meantime, if all other variables stay constant, the negative coefficients of variables X1 and X5 show an inverse association with the dependent variable, suggesting that a rise in either variable tends to decrease the magnitude of the outcome variable. Conversely, the factors X2, X3, and X4 show positive coefficients, indicating that, ceteris paribus, increases in these variables are linked to equivalent increases in the magnitude of the explained variable.

Variables X1 and X5 show an inverse connection with the dependent variable on a partial basis, with negative coefficients of −0.4125 and −2.5554, respectively. This suggests that, when all other factors remain constant, a rise in either variable tends to lower the value of Y (ceteris paribus). On the other hand, variables X2, X3, and X4 have positive coefficients of 1.8164, 2.8103 and 0.1598 respectively, suggesting that growth in these factors will linked to equivalent increases in the value of Y. In numerical terms, X3 has the largest coefficient of all the independent variables, meaning that it has the biggest marginal impact on changes in Y.

Every parameter estimate indicates the incremental effect on Y resulting from a single-unit rise in the associated explanatory variable with all other conditions held constant. These estimates should be backed up with statistical significance tests, though, as they are still descriptive in nature. In order to evaluate Every parameter estimate indicates the incremental effect on Y resulting from a marginal improvement in the corresponding independent factor while maintaining other factors unchanged necessary, which strengthens the empirical support for the reliability and validity of the estimated results.

Table 7. T-Test Result

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.0787	0.0817	0.9642	0.3445
X1	-0,4124	2,8485	-0,1448	0,8861
X2	1,8164	0,6895	2,6343	0,0145
X3	2,8103	1,9300	1,4560	0,1583
X4	0,1598	0,5310	0,3009	0,7661
X5	-2,5553	2,0046	-1,2747	0,2146

Source: Data Processing, Result (2026)

With a probability value of 0.0145 (< 0.05) and a positive coefficient, the partial (t) test findings show that only variable X2 demonstrates a meaningful statistical influence on Y under a 5% significance threshold (α = 0.05). On the other hand, because their probability values are higher than the 0.05 cutoff, variables X1, X3, X4, and X5 are not statistically significant. Although these effects are not statistically

significant, the computed regression coefficients show that X3 and X4 have positive connections with the dependent variable whereas X1 and X5 are adversely connected with Y.

Table 8. F-Test Result

R-squared	0,5705
Adjusted R-squared	0,4810
S.E. of regression	0,0599
Sum squared resid	0,0863
Log likelihood	45,184
F-statistic	6,3766
Prob(F-statistic)	0,0670

Source: Data Processing, Result (2026)

The F-test produces an F-statistic of 6.3766 with a probability value of 0.0670. since the probability value exceed the 5% significance level, the null hypothesis cannot be rejected . therefore, the five independent variabels do not joitly demonstrate a statistically significant effect on ROA at the 5% significance level.

Tabel 9. Konfisien Determinasi (R^2)

R-squared	0,5705
Adjusted R-squared	0,4810
S.E. of regression	0,0599
Sum squared resid	0,0863
Log likelihood	45,1845
F-statistic	6,3766
Prob(F-statistic)	0,0670

Source: Data Processing, Result (2026)

After taking into consideration considering the predictors included and available degrees of freedom, the adjusted explanatory power measurement demonstrates (Adjusted R-squared) is 0.481063, indicating that the model explains around 48.11% of the fluctuation of the outcome variable. Furthermore, the predictors included in the model explain approximately 57.05% of changes in the dependent variable based on the determination coefficient (R-squared) of 0.570535.

Trend Analysis Result

The Return on Assets (ROA) trend analysis for non-cyclical consumer goods companies from 2020 to 2025 shows different patterns for each company. From 2020 to 2025, PT Garudafood Putra Jaya Tbk ROA increased from 0.03 to 0.08, showing a steady growth since 2022. These results show that the business has continuously improved its asset utilisation efficiency. This finding is in line with other research showing that liquidity ratios have a simultaneous impact on ROA, indicating that a company's capacity to preserve financial stability enhances profitability. As a result, Garudafood's steady improvement in financial performance is reflected in the upward trend in its ROA over the research period.[36]. PT Garudafood Putra Jaya Tbk The capacity of to sustain a steady rise in ROA shows that the business has great managerial skills in handling its strategic assets.

Despite a brief gain in 2023, PT HM Sampoerna Tbk's ROA is somewhat erratic and exhibits a deteriorating tendency, falling from 0.17 in 2020 to 0.12 in 2025. This pattern suggests that the business is finding it more difficult to generate returns from its assets. The degree of operational efficiency that the business implements on a sustainable basis and the efficacy of productive asset management may

have an impact on the variation in ROA. The drop in ROA indicates that the business must modify its approach to stay competitive in the face of shifting market conditions for the tobacco sector.[37].

Additionally, PT Midi Utama Indonesia Tbk has a progressively rising tendency, going from 0.03 in 2020 to 0.08 in 2025. The company's overall financial performance has consistently improved, notwithstanding a minor drop in 2024. ROA is discovered to be influenced by financial structure financial indicators such as DAR and CR measurements. Enhancements in the quality and liquidity of asset management typically increase the company's capacity to attain greater profitability. This study supports the idea that the effectiveness of the company's financial structure contributes to gains in ROA in addition to sales growth.[38].

PT Sumber Alfaria Trijaya Tbk, on the other hand, shows a somewhat static trajectory after rising in 2021. The company's ROA decreased from 0.07 in 2021 to 0.04 and stayed at this level until 2025, suggesting that it was unable to maximise asset utilisation to produce profits. A common metric for evaluating how well a business generates profits from its assets and invested capital is return on assets, or ROA. The findings imply that growth in total assets does not automatically result in improved earnings performance, especially if operational effectiveness has not been established at an ideal level.[39].

However, among the companies in the sample, PT Unilever Indonesia Tbk has the most erratic ROA trend. After rising from 0.25 in 2020 to 0.30 in 2021, ROA fell precipitously to 0.02 in 2023 before rising to 0.29 in 2025. This large variation reflects the organization's overall financial condition throughout the observation period was greatly impacted by both internal and external influences. Throughout 2021–2023, the company's profitability ratios—including ROA—saw significant fluctuations. According to earlier research, changes in working capital turnover have an impact on ROA, suggesting that decreases in working capital efficiency typically put pressure on profitability. These results lend more credence to the idea that PT Unilever Indonesia Tbk's internal asset and working capital management techniques generate a meaningful influence on the organization's ROA swings.[40].

Overall, the trend analysis shows that the financial performance of businesses in the non-cyclical consumer sector varies greatly. Despite the fact that this industry is often thought to be quite stable, every business has unique characteristics when it comes to managing its assets and making money. A more thorough investigation, like panel data regression, is necessary to determine the factors impacting Return on Assets (ROA) in light of these variations in resource utilisation and profitability. Even though the five businesses are in the same industry, the panel data regression analysis shows that they have diverse resource management practices, which leads to various profitability levels. Depending on how well its existing asset management is working, each company reaches a distinct level of profitability. These results support the idea that Return on Assets (ROA) heterogeneity is a typical occurrence in the non-cyclical consumer sector.[41].

Hypothesis Result

The findings indicate that only H2 (company scale) produces a favorable and statistically meaningful effect toward ROA within a partial basis, whereas the other independent variables show no significant effects. This empirical data supports earlier research that indicates larger businesses typically have more resources and easier access to outside funding. These benefits allow businesses to increase operational effectiveness and optimise asset utilisation, which boosts earnings capability assessed through the ROA measurement (ROA)[18].

Conclusions and Recommendation

This study examined the determinants and trends of financial performance among consumer non-cyclical companies listed on the Indonesia Stock Exchange during the observation period. The findings show that firm size has a positive and statistically significant effect on Return on Assets (ROA), while liquidity, asset structure, sales growth, and operational and financingefficiency do not have statistically significant partial effects at the 5% significance level. The joint test produces a probability

value of 0.0670, indicating that the explanatory variables do not have a statistically significant simultaneous effect on ROA at the 5% level.The trend analysis demonstrates substantial heterogeneity in ROA across the sampled companies. Some firms experienced a persistent increase in profitability, whereas others exhibited declining, relatively stable, or fluctuating patterns. These differences indicate that companies operating within the same consumer non-cyclical sector may have different profitability dynamics and asset-utilization capabilities.The findings imply that firm scale represents an important characteristic associated with profitability in the observed sample. However, the absence of statistically significant effects for the other explanatory variables suggests that profitability cannot be explained solely by individual financial ratios. Firm-specific factors, operational strategies, market conditions, and differences in asset utilization may also contribute to variations in ROA. Future research may therefore incorporate additional determinants, a larger sample, and alternative measures of operational efficiency and financial performance to provide a more comprehensive explanation of profitability in the consumer non-cyclical sector.

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